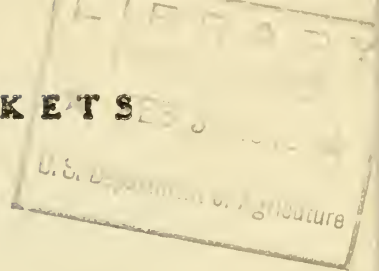


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FOREIGN CROPS AND MARKETS

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LATE CABLES

Shanghai flour prices soared to new highs during week ended January 20 due to speculative hoarding and North China demand. Acute shortage indicated in Peiping. Japan to ship flour prior to February 8 for immediate relief. (Also see statement on Oriental wheat and flour situation, page 83.) (Consulate general, Shanghai.)

British authorities state that an additional 50,000 bales or approximately 15 million pounds of Australian wools are being made available immediately to United States importers. (American Embassy, London.)

Of South African wool shipments in December, amounting to 25 million pounds, 7 million pounds were declared at American consulates to be for the United States. In December 1938 exports to the United States amounted to only 400,000 pounds. Exports for the first 6 months of the 1939-40 season (July 1-December 31) were 58 million pounds, or only a little over half the volume shipped a year ago. Receipts at ports, amounting to 135 million pounds, were only about 94 percent of last season's receipts. Unsold wool at ports on December 31, amounting to approximately 32 million pounds, were about 60 percent larger than a year ago. Prices of 64/70's supercombing and combing wool averaged as follows in cents (American currency) per pound, clean scoured basis: Super combing 48.8 and combing 46.0 compared with 40.0 and 37.6 in December 1938. (American agricultural attaché, London.)

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CANADIAN GRAIN CROP ESTIMATES REVISED

The third estimate of the 1939 wheat crop in Canada is now placed at 489,623,000 bushels by the Dominion Bureau of Statistics. This figure represents an upward revision of about 11 million bushels from the second estimate issued last November, and results largely from an increase in the estimate for Saskatchewan. The 1939 wheat crop is around 130 million bushels above the 1938 harvest of 360,010,000 bushels and is the second largest wheat crop so far produced in Canada. An upward revision of 10 million bushels has also been made for the 1938 crop, which in turn increases the 1939 carry-over, and, together with the larger 1939 crop estimate, indicates an extra 20 million bushels in the exportable surplus for 1939-40.

Other crop revisions at this time were not very large. The third estimate of the 1939 oat crop in Canada is placed at 408,832,000 bushels, a decrease of 1,618,000 bushels from the November estimate. Barley production at 103,147,000 bushels is practically unchanged from the second estimate and is not greatly different from the 1938 outturn. The 1939 rye crop at 15,307,000 bushels is over 4 million bushels larger than the 1938 harvest, due to an increase in acreage. Flaxseed production at 2,169,000 bushels shows a substantial increase over the 1938 crop of 1,259,000 bushels. For a table of the third Canadian grain estimates with comparisons, see page 101.

In reviewing 1939 crop developments, the Dominion Bureau of Statistics points out that the season was relatively favorable throughout Canada with no major areas experiencing partial crop failure as in recent years. The outstanding feature of the season, of course, was the production of a bumper wheat crop in the Prairie Provinces, with wheat yields better than in any year since 1928. The extreme heat in the Prairie Provinces in late July affected the yields of coarse grains, so that the latter did not share with wheat an improvement in yields per acre. Increased sowings of rye and flaxseed resulted in a larger production of these two crops.

From the total crop in the Prairie Provinces, estimated at 463 million bushels, farm deliveries of wheat between August 1 and January 5 amounted to 363.7 million bushels. This is the heaviest primary movement of wheat since the 1928-29 season. It is estimated by the Dominion officials that an additional 50-55 million bushels are likely to be delivered before the end of July, and the total marketings from the 1939 crop will approximate 414-419 million bushels. On this basis, 87 percent of this year's marketable wheat has already been delivered, compared with 88 percent at the same date in the 1938-39 season, and 80 percent at the same date in 1937-38.

Regarding other disposition of the 1939 crop, wheat feeding to livestock and poultry is expected to show only a small increase in comparison with the amount of wheat fed during the 1938-39 season. Very little

change is also expected in the amount of wheat required for the seeding of the 1940 crop, as compared with that used for the 1939 crop. Altogether, farm disposition of wheat from the 1939 crop is expected to approximate 50 million bushels, an amount equal to the farm disposition from the 1938 crop.

With respect to quality, the official report indicates that the grading of the 1939 crop is highly concentrated in the No. 1 Northern grade and is establishing a precedent in this regard, being approximated only by the grading of the 1932 crop. As judged by the protein content the crop is "just normal," the report says, in comparison with that of earlier years. Dry summer weather during the ripening period, and in the main, dry harvesting weather, contributed to the production of a crop of high grade. From August to December, 1939, it is said that 60 percent of the inspections graded No. 1 Northern or No. 1 Hard, while only 30 percent occurred in these grades in the corresponding months of 1938. Nos. 2 and 3 Northern grades accounted for 32 percent of the 1939 inspections and No. 4 Northern, 5, 6, and Feed accounted for only 1.6 percent this season compared with 7.8 percent a year ago. On the other hand the proportion grading "tough" amounted to 4.8 percent from the 1939 crop compared with 0.5 percent a year ago.

On the basis of average prices received by growers up to December 31, the values (Canadian dollars) of the 1939 grain crops are estimated as follows, with the revised figures for 1938 in parentheses: Wheat \$252,779,000 (\$211,265,000); oats \$105,963,000 (\$89,335,000); barley \$33,147,000 (\$28,446,000); rye \$5,766,000 (\$3,147,000); mixed grains \$18,902,000 (\$15,126,000); flaxseed \$3,030,000 (\$1,420,000).

THE ORIENTAL WHEAT MARKET

China

The Shanghai wheat and flour markets during the month ended January 15 were steady with prices showing sharp increases, according to a radiogram from the American agricultural attaché at Shanghai. Arrivals of domestic wheat were few and mill takings small. The seeding of winter wheat in North China for harvest in 1940 was believed to be larger than in the year previous, as a result of the present shortage of wheat and the high prices prevailing. An increase in the wheat acreage of Central China is also expected, although the weather was somewhat dry. The Shanghai flour mills were operating irregularly and at only 30 percent of their normal capacity. The local demand for flour was good as the result of a shift from rice consumption, but the mills were reluctant to make large commitments. Stocks of wheat declined during the month but flour supplies were about normal at 700,000 bags. Two cargoes of Australian wheat were booked to arrive in February, and prospects would be bright for further purchases except for the difficulty in obtaining shipping space. Australian wheat was quoted on January 17 at about 26.80 yuan per picul (96 cents per

bushel), while domestic wheat was 20.56 yuan (74 cents). Standard grade flour reached the record of 9.80 yuan per picul, which in United States currency was about 78 cents per bag; Australian flour, c.i.f. Hong Kong, was \$3.89 per barrel.

Imports of wheat and flour into China during November showed an increase over those of the previous month. Wheat imports for the first 5 months of the season totaled nearly 5 million bushels as against less than 500 bushels in the corresponding period of 1938. Flour imports amounted to 1,703,000 barrels, an increase of 34 percent over the total for July-November 1938.

CHINA: Imports of wheat and wheat flour by countries of origin,
November 1939, with comparisons

Country of origin	November			July-November		
	1937	1938	1939	1937	1938	1939
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Wheat						
United States.....	0	0	-	0	0	2,293
Canada.....	0	0	-	0	0	-
Australia.....	0	0	113	0	0	2,593
Japan.....	0	0	-	0	0	-
Others.....	0	a/	-	0	a/	-
Total.....	0	a/	113	0	a/	4,886
	1,000	1,000	1,000	1,000	1,000	1,000
	barrels	barrels	barrels	barrels	barrels	barrels
Flour						
United States.....	18	4	31	39	83	813
Canada.....	4	4	2	24	32	46
Australia.....	14	194	1	86	863	707
Japan.....	1	76	37	1	283	114
Others.....	a/	3	14	1	8	23
Total.....	37	281	85	151	1,269	1,703

Office of agricultural attaché, Shanghai.

a/ Less than 500 bushels.

Manchuria

Wheat seedings this spring in Manchuria are expected to exceed those of last year as a result of the poor outlook for soybean exports to Europe. Commercial flour production during 1939-40 was estimated at about 50 percent below the reduced figure of last season. Small country mills were active during recent months, but large mills were restricted by the shortage of wheat and the official prices fixed for flour. A new flour monopoly has limited purchases to 11 kilograms (24.25 pounds) a month per person against ration cards.

Japan

Prices of domestic and Australian wheat in Japan on January 4 were unchanged from a month earlier, but quotations on other foreign wheats were higher, according to information furnished by the United States consulate general at Tokyo. The domestic flour market was normal with wheat stocks average, and mills active. Wheat was quoted at the mill as follows, duty and landing charges included: Western white No. 2, \$1.17 per bushel; Canadian No. 1, \$1.33, No. 3, \$1.30; Australian, \$1.02; Manchurian, \$1.46 per bushel. Domestic standard was \$1.38; Portland wheat, c.i.f. Yokohama, 70 cents per bushel, duty and landing charges excluded. The wholesale price of flour at the mill was \$1.29 per bag; c.i.f. Dairen, \$1.41; c.i.f. Tangku, \$1.55 per bag. Imports of wheat into Japan during November declined to only 60,000 bushels but were above the comparable figure for 1938. November exports of flour were reduced but the total for the first 5 months of the season was about the same as that for July-November 1938.

JAPAN: Imports of wheat by countries of origin, and total exports of flour, October 1939, with comparisons

Country of origin	November			July-November		
	1937	1938	1939	1937	1938	1939
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
Imports of wheat						
United States.....	42	-	-	42	-	-
Canada.....	170	-	-	674	-	-
Australia.....	136	-	-	870	174	41
Argentina.....	-	-	-	73	42	-
China.....	-	18	7	4	82	173
Others.....	66	33	53	281	236	237
Total.....	414	51	60	1,944	534	451
	1,000	1,000	1,000	1,000	1,000	1,000
	barrels	barrels	barrels	barrels	barrels	barrels
Exports of flour.....	350	312	112	1,006	1,487	1,485

Office of agricultural attaché, Shanghai.

JAPANESE RICE SUPPLY GREATLY REDUCED

Imports of foreign rice into Japan for the 1939-40 marketing year (November-October) necessary for consumption are forecast at approximately 3,000 million pounds of milled rice as compared with 49 million pounds imported in 1938-39, according to a radiogram received from Agricultural Attaché Owen L. Dawson at Shanghai. Japanese production, plus imports from Chosen and Taiwan, has made Japan nearly self-sufficient in rice since 1933. The acute shortage this year is the result of a very short crop in Chosen, a poor first crop in Taiwan, and the smallest carry-over

in Japan on November 1 in more than two decades. If the above forecast is borne out, the volume will be the largest ever imported from foreign countries into Japan.

Rice production and consumption in Japan have been on an upward trend for many years. The Japanese Government has been stressing increased production for several decades but with the bumper crop of 1933 resulting in an over-supply and low prices, greater emphasis has been placed on increased production of other crops.

The 1939 Japanese rice crop was officially forecast at 593 million bushels, only slightly below the 1938 crop. Other information indicates that the 1939 harvest may not have been over 550 million bushels because of the drought in some of the producing areas last summer.

JAPAN: Rice acreage, production, yield, and imports from foreign countries, averages 1921-1935, annual 1936-1939

Period	Acreage	Production	Yield per acre	Imports
	Thousand	Thousand		Million
<u>Average</u>	<u>acres</u>	<u>bushels</u>	<u>Bushels</u>	<u>pounds</u>
1921-25.....	7,704	524,217	68	980
1926-30.....	7,829	553,754	71	697
1931-35.....	7,870	537,929	68	206
<u>Annual</u>				
1936.....	7,859	612,477	78	122
1937.....	7,877	603,173	77	74
1938.....	7,893	599,072	76	50
1939.....	a/ 7,815	b/ 593,575	76	c/ 38

Compiled from official sources.

a/ First estimate. b/ Second estimate. c/ 9 months, January-September.

The carry-over of rice in Japan on November 1, 1939, was officially estimated at 1,276 million pounds of milled rice as compared with 2,668 million pounds the preceding year. The above estimate indicates the smallest carry-over since 1918 and some trade sources believe the carry-over last November was substantially below the Government estimate.

Rice imports into Japan from Chosen and Taiwan have been increasing over the past three decades as a result of larger production in these areas. During 1933-1937 Japan imported from Chosen an average of over 2,600 million pounds of milled rice, but, because of the short 1939 harvest, imports from Chosen for the current marketing year are expected to fall below 500 million pounds. During the same 5-year period (1933-1937) imports into Japan from Taiwan averaged over 1,500 million pounds of milled rice, while this season imports are expected to be reduced to about 1,000 million pounds.

Consumption of rice in Japan during the 1939-40 season is expected to be smaller than the preceding year as the Government is now reported to be more rigidly enforcing the restrictions on rice polishing and the use of rice for brewing purposes.

The estimated deficit of 3,000 million pounds of milled rice is expected to be secured by imports from China and the southern Asiatic countries. Normally China is a deficit rice country but it is believed that the Japanese in the Yangtze Valley will obtain substantial quantities from this area. Some sources hope that as much as 1,000 million pounds will be obtained from central China this year.

It is reliable reported that Japan has already contracted for about 500 million pounds of milled rice, principally from Siam but some from Burma and Indochina. It is expected that Japan will make further purchases from these countries providing financial difficulties are not too great and shipping facilities are available.

The Japanese Government has for the past few years established maximum rice prices. A few weeks ago the maximum price for Fukagawa middle grade milled rice was raised from 38.20 yen per koku (\$2.85 per 100 pounds) to 43.30 yen per koku (\$3.23 per 100 pounds).

CHOSEN RICE PRODUCTION 40 PERCENT BELOW LAST SEASON

The 1939 rice crop in Chosen was officially estimated at 130,269,000 bushels as compared with 219,540,000 bushels harvested in 1938, according to a radiogram received from Agricultural Attaché Owen L. Dawson at Shanghai. The 1939 harvest is the smallest Chosen crop since 1929. Dry weather in the principal rice-growing areas during June and July was the chief factor causing the short crop.

CHOSEN: Rice, acreage, production, and yield, 1934-1939

Year	Acreage	Production	Yield per acre
	<u>1,000 acres</u>	<u>1,000 bushels</u>	<u>Bushels</u>
1934.....	4,195	152,041	36
1935.....	4,153	162,661	39
1936.....	3,924	176,539	45
1937.....	4,017	243,715	61
1938.....	4,068	219,540	54
1939.....	a/	b/ 130,269	-

Official statistics supplied by American consulate, Keijo.

a/ Not available. b/ Second estimate.

Production of rice, the most important crop of Chosen, has increased substantially during recent years as a result of Government encouragement. Present information indicates that the Government is planning to stress energetically increased production in 1940.

Chosen is a surplus rice area and normally exports, primarily to Japan, from 25 to 40 percent of the annual production. During the 1938-39 marketing year (November-October) exports to Japan amounted to about 25 percent of the crop, or approximately 1,800 million pounds of milled rice, as compared with 2,670 million pounds for the preceding marketing year. The 1938-39 exports declined rapidly during the summer months because of the unfavorable prospects for the new crop. Exports from Chosen during 1939-40 are expected to show a marked reduction and shipments to Japan may not reach 500 million pounds.

Chosen in normal years imports some cheaper foodstuffs to replace rice exports. Millet, kaoliang, and corn are generally imported from Manchuria. This year Chosen may have difficulty in obtaining larger supplies from Manchuria as crop production, especially in south Manchuria, was reduced in 1939. Furthermore, because of the extreme food shortage in north China some Manchurian food supplies are being shipped into that area.

WARTIME COMMODITY CONTROL MEASURES

COTTON

Previous reports that appeared in the issues of December 9 and December 22, 1939, and January 13, 1940, covered wartime control measures affecting the cotton trade and industry in the United Kingdom, Egypt, British India, France, Germany, Italy, Spain, the Netherlands, Switzerland, Portugal, Belgium, and Rumania. Supplemental reports have been issued on the United Kingdom and Germany.

United Kingdom (Supplemental)

Requisition of shipping and allocation of space for movement of American cotton - A decision of the British Ministry of Shipping to requisition all passenger and cargo ships under the British flag as from the day they complete their first discharge after February 1, was announced in London on January 4, 1940. British cotton importers were requested by the cotton controller on that date to book no space on neutral ships pending the outcome of negotiations then in progress for regular space allotments (Foreign Crops and Markets, January 13, page 34).

The British Government announced on January 19 that, effective February 1, 1940, space will be allotted in British vessels for shipment to the United Kingdom of 100,000 bales of American cotton, monthly. This

quota will remain in effect through September 30, 1940, and includes shipments of cotton under the British-American barter arrangement. To relieve the present acute shortage of space for commercial shipments, all shipments of barter cotton scheduled for the months of February, March, and April will be deferred.

The quota does not apply to cotton contracts made prior to January 4, 1940, for which freight had already been booked on neutral ships. Also, arrangements may be made outside the quota for shipment "at the due date" of cotton purchased prior to January 4 if the contract gave the shipper the right to ship either in British or neutral vessels and if arrangements for shipping had not been definitely made by January 19.

Under this scheme, the freight rate, subject to 2 months' notice of any alteration, will be \$1.50 per 100 pounds, which is considerably less than the present rates charged by neutral vessels. The allotment to importers of the freight space available will be made by a joint committee of the Liverpool and Manchester Cotton Associations under the direction of the Ministry of Shipping and will be known as the American Cotton Import Committee.

The object of the British Government in setting up the system of freight-space allotments, according to a statement made in that country, is to guarantee to the British cotton industry a definite minimum supply of American cotton monthly at reasonable freight rates by an equitable distribution of such freight space as can be made available in British ships. The procedure is similar to that adopted in 1917-18. Calculations based on unofficial information suggest that if, under the allocation arrangement, space in neutral vessels is utilized to the extent possible for the movement of cotton sold prior to January 4, 1940, the space allocated would be sufficient to permit the sale, after January 4, of up to 350,000 additional bales for shipment to the United Kingdom in British vessels before the end of September.

Egypt (Supplemental)

The program of economic defense of cotton growers adopted by the Egyptian Government at the outbreak of the war included among its provisions the support of cotton prices. To make this purpose effective, a decree was issued in October 1939 authorizing the Government to purchase cotton futures on the Alexandria cotton exchange at minimum prices to be fixed by the cabinet. The closing prices on October 25, 1939, were first designated as the level at which the Government would enter the market to maintain prices and later changed to those on November 15, 1939 after a subsequent rise.

New price level fixed by the Government - An announcement by the Egyptian Government on January 18, 1940, fixed the closing prices of

cotton futures on December 7, 1939, as the level below which the Government would enter the market. The following table shows the levels at which the Government has announced from time to time that it was prepared to enter the market with buying orders:

EGYPT: Cotton future prices by varieties, as quoted on Alexandria Cotton Exchange, October 25, November 15, and December 7, 1939

Future Contracts 1939-40	: Talaris per cantar : Cents per pound					
	a/			b/		
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.
	25	15	7	25	15	7
<u>Sakellaridis (Fully Good Fair)</u> -						
November.....	13.07	14.41	-	10.87	11.99	-
January.....	13.37	14.50	18.20	11.12	12.06	15.14
March.....	13.52	14.71	17.80	11.25	12.24	14.81
May.....	-	-	17.80	-	-	14.81
<u>Giza 7 (Fully Good Fair)</u> -						
November.....	12.22	13.27	-	10.17	11.04	-
January.....	12.53	13.63	15.77	10.42	11.38	13.12
March.....	12.73	13.98	16.24	10.59	11.63	13.51
May.....	12.90	14.15	16.43	10.73	11.77	13.71
<u>Ashmouni (Fully Good Fair)</u> -						
December.....	10.87	12.29	15.00	9.04	10.22	12.48
February.....	10.99	12.51	15.32	9.14	10.41	12.74
April.....	11.07	12.67	15.42	9.21	10.54	12.83
June.....	11.14	12.73	15.39	9.27	10.59	12.80
	:	:	:	:	:	:

Compiled from current issues of The Cotton Gazette, Liverpool Cotton Association.

a/ Cantar = 99.048 pounds. b/ Calculated at \$4.12 = £1 Egyptian of 5 talaris.

ARGENTINE DECIDUOUS FRUIT CROPS REDUCED

Rain and hail damage have sharply reduced the 1940 fruit crops in Argentina, according to a report just received from American Agricultural Attaché Paul O. Nyhus at Buenos Aires. The Ministry of Agriculture estimates the 1940 fruit production compared with that of the previous year as follows: Pears, Williams, 50 percent, late varieties one-third; plums, one-half; peaches, one-third; apples, 80 to 100 percent; grapes about the same as last year. Although trade sources suggest that the pear crop may be larger than the Ministry's estimate, there is general agreement that the 1940 production will be substantially below that of last year.

The market outlook for the export crop of pears, apples, and grapes has been seriously affected by the European war, since the larger portion of Argentine exports, particularly of pears and apples, moves to European markets. Trade sources consider the English and French markets practically closed to Argentine pears, and they expect exports to European neutrals to be small as a result of high shipping costs and shipping risks.

Recently, additional capacity for refrigerated shipments to the United States became available. A Danish line with fortnightly sailings will take the place of English sailings that have been cancelled. This, plus additional boats on an American line, will provide a greater volume of refrigerated space than formerly.

As a result of the poor export outlook, considerable attention is being given to drying fruit. Only one modern drying plant, however, is available for drying pears in Argentina and it is considered unlikely that improvised equipment and methods will be used for drying since the quality of the resulting product would be unsatisfactory. The capacity of the drying plant, which is located in the Province of Mendoza, is not expected to be more than 1,100 short tons of pears.

No direct Government subsidies or aids are now being contemplated, although grape growers have requested financial assistance from the Government if the export market for table grapes becomes too unsatisfactory.

Pears

The commercial crop of pears in 1939 is estimated at around 3,200,000 boxes. If the 1940 crop is about 50 percent of last year's, the domestic market can probably absorb the entire crop, since it accounted for around 1,700,000 boxes last year. Efforts are being made to export as many pears as possible, however, since there is some possibility that the crop may prove to be somewhat larger than the Ministry's estimate and, also, the industry wants to relieve as much pressure from the domestic market as possible.

ARGENTINA: Exports of pears by principal countries,
calendar years, 1936-1939

Country	1936	1937	1938	1939 <u>a/</u>
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
United Kingdom.....	181,110	168,770	234,454	289,747
France.....	60,252	127,542	203,610	281,242
Brazil.....	107,915	133,981	174,205	210,760
Sweden.....	28,189	48,522	105,541	191,908
Netherlands.....	14,381	3,208	13,548	107,032
United States.....	13,588	64,314	37,752	85,345
Belgium.....	6,032	10,759	12,710	32,650
Others.....	52,378	15,303	23,550	46,622
Total.....	463,845	572,399	805,370	1,245,306

Bulletin of the Fruit and Vegetable Division of the Argentine Ministry of Agriculture. In bushels of 50 pounds.

a/ 11 months only.

Exports to Brazil are expected to be about the same as those of last year or around 250,000 boxes, since that market has been relatively undisturbed by recent developments. A few months ago the trade hoped to export 300,000 boxes to the United States, but fuller realization of the significance of the liberal supplies of United States winter pears has dampened their optimism. At present, the trade is talking in terms of exporting 150,000 boxes of pears to this country, although the level of prices in New York during the spring may alter this estimate. Last year Argentina shipped 97,000 boxes of pears to the United States.

Grapes

Unlike exports of pears and apples, the bulk of Argentine grape exports go to the United States and Brazil. These two countries accounted for 77 percent of the movement in 1939. Exports to European markets outside of Sweden were relatively limited last season. The war, therefore, is not expected to affect grape exports as seriously as it may affect shipments of pears and apples. The 1940 grape crop is expected to be approximately the same as that of last season. Grape producers have petitioned the Government for aid should they face losses as a result of abnormal market conditions.

ARGENTINA: Exports of grapes by principal countries,
calendar years, 1936-1939

Country	1936	1937	1938	1939 <u>a/</u>
	Short tons	Short tons	Short tons	Short tons
United States.....	6,583	5,510	5,002	5,420
Brazil.....	2,661	2,692	1,954	2,304
Sweden.....	632	841	1,028	1,274
United Kingdom.....	769	208	356	252
Canada.....	109	54	140	185
Norway.....	20	46	102	136
Switzerland.....	133	37	45	105
Others.....	416	452	593	411
Total.....	11,323	9,840	9,220	10,087

Bulletin of the Fruit and Vegetable Division of the Argentine Ministry of Agriculture.

a/ 11 months only.

Apples

Germany was the most important market for Argentine apples in 1939, and that country, together with France and England, accounted for over 60 percent of the exports during the season. The dependence of apple

growers upon European markets has created the problem, as the result of the war, of finding alternate outlets for this produce. Argentina has never exported apples to the United States.

ARGENTINA: Exports of apples by principal countries,
calendar year, 1936-1939

Country	1936	1937	1938	1939 <u>a/</u>
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
Germany.....	0	15,631	33,225	185,449
Brazil.....	45,650	49,838	48,013	83,239
Sweden.....	27,711	33,903	37,643	57,389
United Kingdom.....	18,238	29,779	4,737	52,058
Netherlands.....	1,544	12,426	0	51,170
France.....	68,174	37,731	19,240	48,421
Others.....	40,023	79,549	44,784	67,095
Total.....	201,340	258,857	187,642	544,821

Bulletin of the Fruit and Vegetable Division of the Argentine Ministry of Agriculture. In bushels of 48 pounds.

a/ 11 months only

NORWAY CITRUS SITUATION

Imports of citrus fruit into Norway amounted to 712,000 boxes of 70 pounds during the first 9 months of 1939, according to a report from the American consulate at Oslo. This compares with imports of 895,000 boxes during the 12 months of 1938 and 693,000 boxes during the previous calendar year. Separate figures for imports of oranges, grapefruit, and lemons are not available, although oranges account for the bulk of the imports.

NORWAY: Imports of citrus fruit by countries, calendar years
1937 and 1938, and January-September 1939

Country	1937	1938	January-September 1939
	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>
Brazil.....	19,459	29,274	20,734
British Asia.....	50,174	17,452	6,953
Egypt.....	2,218	1,540	177
Italy.....	66,360	70,874	42,046
Palestine.....	180,307	375,413	338,472
Spain.....	318,115	2,854	7,027
Union of South Africa..	31,537	22,542	2,423
United States.....	21,214	314,378	291,114
Others.....	3,572	60,248	3,285
Total.....	692,956	894,575	712,231

American consulate, Oslo. In boxes or 70 pounds.

Palestine was the most important supplier of citrus fruit in 1939, accounting for 48 percent of the total, while the United States was second with 41 percent. Spain accounted for only 7,000 boxes, or less than 1 percent of the imports compared with 45 percent in 1937. The severe decline in imports from Spain in 1938 and 1939 is the result of the recent war in that country.

Imports of oranges into Norway during the past 3 years have averaged around 756,000 boxes. As a result of the war, the Norwegian Ministry of Commerce has restricted imports in 1940 to 70 percent of this amount, or around 530,000 boxes. In order to restrict the volume of arrivals, the import of oranges into Norway was prohibited except under license from the Ministry of Commerce effective October 9. A trade agreement between Spain and Norway was signed recently providing for Norwegian imports of Spanish produce, principally oranges, in exchange for exports of fish oil and mechanical wood pulp to Spain. As a consequence, 70 percent of the permitted imports of citrus fruit, or 371,000 boxes, has been set aside for Spanish oranges. Around 10 percent of the remainder, or 53,000 boxes, has been allotted to Palestine and Cyprus, and about 8 percent, or 42,000 boxes, to the United States.

The bulk of United States oranges imported into Norway are from California rather than from Florida. There are several reasons for this marked preference for California oranges. First, the bulk of the Florida crop is marketed during the winter season when Jaffa and Spanish supplies are liberal, while California fruit is available throughout the summer when competitive supplies are lighter; second, consumers during the winter prefer a dessert orange which can be easily peeled, such as the Jaffa shamouti; and third, some difficulty with stem-end rot has been encountered with imports of Florida oranges in the past.

Norwegian consumption of grapefruit is rather limited, as it is elsewhere on the continent of Europe, and average imports are estimated at around 35,000 boxes annually. Of this total, Jaffa usually supplies around 20,000 to 25,000 boxes. Last year, Texas shipped around 3,000 boxes. Only small quantities of Florida grapefruit are imported, since the Florida fruit is more expensive than that from Texas and some difficulty with the condition of arrivals has arisen in the past.

Norwegian lemon requirements are met chiefly by Italy, Palestine, Syria, and Spain. Imports of California lemons usually amount to a few thousand boxes annually. One difficulty with an expansion of lemon imports from California, besides the liberal supplies of competitive lemons and their shorter shipping distances, is the terms upon which business is conducted. American exporters require from Norwegian importers irrevocable letters of credit, while exporters from competing countries usually either grant liberal credits or agree to payment against documents in Oslo.

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GOVERNMENT CONTROL OF SPANISH CITRUS INDUSTRY

Under the terms of a decree dated October 21, 1939, the Spanish Government will control practically all phases of the orange export business, according to a report from American Consul Sheridan Talbott at Valencia. Supervision of the orange trade is centered in the Government agency, Rama de Naranja.

The control powers of the Rama are extensive and include the establishment of minimum prices to growers, approval of all contracts relating to the orange trade, regulation of marks for export fruit, issuance of licenses for the export of fruit, supervision of handling and transportation, and creation of delegations in important importing centers to study market conditions and possibilities and to improve the quality and condition of arrivals in these markets. The Rama is also authorized in certain contingencies to sell fruit in export markets.

The war has resulted in considerable uncertainty in the Spanish orange export deal. Prior to the outbreak of hostilities, exports were expected to total between 9 and 10 million boxes. The United Kingdom was expected to purchase between 40 and 50 percent of this total, France between 15 and 20 percent, and smaller quantities were expected to go to Holland, Belgium, and the Scandinavian countries.

As a consequence of the dislocations arising out of the war, exports are certain to be considerably below the previous estimates. Some trade sources estimate that exports may be less than 5 million boxes.

Since England is still a free market (oranges being excluded from import licensing control), unsatisfactory British prices have adversely affected the volume moving to the British Isles. Exports to France are expected to be materially aided by the Franco-Spanish commercial agreement, which was announced in the press last week. According to press reports, France is expected to purchase around 325 million francs' worth of Spanish oranges. Compensation agreements between Spain and both Norway and Sweden provide for the exchange of Spanish oranges (among other items) for Scandinavian codfish and wood pulp. Although shipments are now going forward to these countries, shipping conditions may seriously interfere with the business.

Exports of oranges from Spain were severely curtailed during the recent civil war in Spain. Exports in 1938-39 were around 2,600,000 half-cases or about 22 percent of shipments in 1935-36. Prior to the outbreak of the Spanish war, Spain was the world's largest exporter of oranges, exports averaging around 27 million boxes during the 5 years, 1931-32 to 1935-36.

SPAIN: Exports of oranges by principal countries of destination,
1935-36 to 1938-39

Country	1935-36	1936-37	1937-38	1938-39
	1,000 half-cases	1,000 half-cases	1,000 half-cases	1,000 half-cases a/
United Kingdom.....	3,921	4,339	1,546	1,104
Netherlands.....	1,170	796	20	150
Belgium.....	1,200	692	369	89
Germany.....	3,700	-	-	850
France.....	40	1,725	a/ 1,267	c/ 270
Norway.....	350	333	-	-
Sweden.....	480	299	-	19
Others.....	637	799	41	90
Total.....	11,498	8,983	3,243	2,572

Compiled from Weekly Fruit Intelligence Notes, Imperial Economic Committee. Excludes oranges produced in Seville, Malaga, and the less important areas of Spain, and, for most of the 1938-39 season, exports from Castellon.

a/ This includes American-type boxes. These are being used fairly extensively now, but the half-case is more common. The half-case is roughly 40 pounds heavier than the box. Because of the confusion of the war, the available data for 1938-39 are unreliable, and it has been impossible to convert all packages to half-cases.

b/ Includes the equivalent of 304,000 half-cases shipped in bulk.

c/ Includes the equivalent of 40,000 half-cases shipped in bulk.

DANISH HOG NUMBERS RELATIVELY LARGE IN DECEMBER 1939

Danish hog numbers continued to be relatively large at the end of 1939. On December 30, 1939, the number was estimated at 3,134,000, according to a cable from the American Embassy at Copenhagen, an increase of 16 percent above numbers on the same date of 1937 and 1938, when they were approximately the same each year. Numbers now are about 3 percent smaller, however, than at the end of 1936.

A comparison of December estimates with those of November show that there was about a 3-percent decrease this year between these estimates, whereas in 1935 and 1936 the decrease was as large as 8 and 9 percent. It is stated in the cable just received that numbers of sucklings and bred sows were slightly larger on December 30 than on November 18, but that the decrease in the number of fat hogs accounted for most of the decline in numbers since November.

In November it was estimated by the Danish Agricultural Council that probable marketings in the 43-week period from November 17, 1939, to September 12, 1940, would reach 3,758,000 head, or an average of

87,400 head weekly. It is now stated that weekly killings are expected to decline from the present 85,000 to 79,500 in May and thereafter to increase to 92,000 in early summer.

Bacon and ham exports from Denmark for the period January 1 to December 10, 1939, amounted to 390 million pounds, 97 percent of which went to the United Kingdom, compared with a total of 370 million pounds in the same period of 1938, 98 percent of which went to the United Kingdom. The number of live hogs exported, the bulk of which went to Germany, reached 130,000 head during this period of 1939 compared with 113,000 head a year ago.

DENMARK: Number of sows, bred sows and total number hogs according to November and December estimates 1935-1939

Year	November			December		
	Sows		Total hogs	Sows		Total hogs
	Bred	Total		Bred	Total	
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1935.....	278	410	3,318	278	405	3,216
1936.....	237	392	3,516	a/ 241	a/ 374	a/ 3,223
1937.....	190	295	2,981	208	295	2,704
1938.....	214	319	2,761	235	329	2,706
1939.....	239	364	3,230	b/	b/	3,134

Statistiske Efterretninger and cable from American Embassy, Copenhagen Denmark

a/ January 2, 1937; December 1936 estimate not available.

b/ Not yet available.

DENMARK: Exports of hogs and pork products, January 1 to December 10, 1938 and 1939

Item	January 1-December 10	
	1938	1939
	Million pounds	Million pounds
Cured pork - Total.....	370	390
To United Kingdom.....	363	377
Germany.....	7	12
Lard - Total.....	18	22
To Germany.....	18	22
Thousand head		Thousand head
Live hogs - Total.....	113	130
To Germany.....	113	129

DENMARK: Number of hogs on December 30, 1939,
with comparisons

Classification	Estimates for December						
	1933	1934	1935	1936 a/	1937	1938	1939
<u>Boars</u>	1,000	1,000	1,000	1,000	1,000	1,000	1,000
4 months and over.....	head 23	head 20	head 21	head 22	head 18	head 17	head b/
<u>Sows in farrow</u>							
Young.....	36	48	97	53	65	82	b/
Other.....	176	190	181	188	143	143	b/
Total.....	212	238	278	241	208	225	b/
<u>Sows not in farrow</u>							
With litters.....	90	74	90	86	61	72	b/
Barren.....	34	21	21	28	16	23	b/
Condemned.....	26	11	16	19	10	9	b/
Total.....	150	106	127	133	87	104	b/
Total sows.....	362	344	405	374	295	329	b/
<u>Suckling pigs</u>	733	653	732	691	508	603	b/
<u>Slaughter hogs</u>							
Under 77 pounds.....	974	745	885	874	720	639	b/
77 to 132 pounds.....	892	646	723	739	679	615	b/
132 pounds and over.....	740	621	450	523	484	503	b/
Total hogs.....	3,724	3,029	3,216	3,223	2,704	2,706	3,134

Cable dated January 19, 1940, from American Embassy, Copenhagen; and Statistiske Efterretninger, Denmark.

a/ Estimate of January 2, 1937; December estimate not available for 1936.

b/ Not yet available.

LARGE SUPPLY OF NEW ZEALAND LAMBS FOR 1939-40

New Zealand's supply of lambs available for export during the current season (October-September) 1939-40 will far exceed the total for any previous season, according to a cable from the American consulate general at Wellington. The official estimate of breeding ewes as of April 30, 1939, was 19,960,000 compared with 19,684,000 on the same date of 1938. The lambing percentage in 1939 was 85.2 percent compared with 84.6 in the preceding year. This large exportable surplus has been purchased by the United Kingdom and prices have been fixed, based generally on those of 1933 with a few modifications favorable to New Zealand producers. The question of freezing charges and the values of byproducts are being investigated and have not been settled with the United Kingdom as yet.

During the year ended June 30, 1939, exports of lamb and mutton from New Zealand amounted to 406 million pounds, compared with 425 million pounds in 1937-38. The bulk of the lamb and mutton went to the United Kingdom. Lamb constituted over 70 percent of the total. New Zealand contributes over 50 percent of the international trade in lamb and mutton.

NEW ZEALAND: Slaughter for export during years ended
September 30, 1937-1939

Item	Season ended September 30		
	1937	1938	1939
	Thousands	Thousands	estimate Thousands
Lambs.....	9,183	9,167	9,725
Sheep			
Wethers.....	970	1,016	1,444
Ewes.....	806	1,172	1,155
Total sheep.....	1,776	2,188	2,599
Total sheep and lambs.....	10,959	11,355	12,324

Annual Review, Pyne, Gould Guinness Ltd.

CANADA PLANS TO IMPORT SOUTH AMERICAN WOOL

Canada is having difficulty in obtaining the usual supplies of New Zealand's crossbreds as a result of war conditions and has been obliged to go outside Empire sources for immediate requirements of this type of crossbred wool. The import duty on this wool has been suspended upon recommendation of the Wartime Prices and Trade Board from January 1 to April 30 enabling Canadian users to obtain needed supplies from non-Empire sources. The lifting of the duty on this wool from foreign countries entitled to the intermediate tariff it is stated will have the particular effect of admitting high class wools from South America and will help to relieve the present shortage of these wools and tide over users until larger supplies are available from New Zealand and the domestic clip is ready for market. It is not possible at present for the War Control of the United Kingdom to release a sufficient quantity of this type of New Zealand wool for Canadian needs owing to requirements at home for military and other purposes.

Canada is stated by the Gazette of Montreal to consume about 100 million pounds of wool annually. This estimate seems rather large and may include imports of semi-manufactured and recovered wool as well as un-manufactured wool. The quantity of raw wool available for consumption was estimated at 29 million pounds in 1938, a decrease of 22 percent compared with 1937 but was slightly above the average for the 5 years 1933-1937. Domestic production in 1939 was about 2 percent larger than the 17,695,000 pounds produced in 1938, including pulled wool.

New Zealand is the chief source of Canadian raw wool imports in normal times, practically none coming from South American sources. Imports of raw wool into Canada amounted to 24 million pounds in 1938, 13 million pounds of which came from New Zealand. Imports have been increasing in recent years.

COTTON: Price per pound of representative raw cotton at Liverpool,
January 19, 1940, with comparisons

Growth	1939					1940			
	December					January			
	1	8	15	22	29	5	12	19	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
American -	:	:	:	:	:	:	:	:	:
Middling.....	12.90	13.32	14.05	14.45	14.33	15.18	14.81	14.46	
Low Middling.....	12.17	12.59	13.32	13.71	13.59	14.45	14.06	13.80	
Egyptian (Fully Good Fair)-	:	:	:	:	:	:	:	:	:
Giza 7.....	14.45	15.26	16.67	17.06	17.05	18.47	17.76	17.80	
Uppers.....	13.80	14.84	15.74	16.39	16.34	17.73	17.13	17.20	
Brazilian (Fair)-	:	:	:	:	:	:	:	:	:
North.....	12.33	12.76	13.48	13.87	13.75	14.61	14.23	13.96	
Sao Paulo.....	12.90	13.32	14.05	14.45	14.33	15.18	14.81	14.54	
Indian -	:	:	:	:	:	:	:	:	:
Broach (Fully Good) -	11.24	11.68	12.32	12.78	12.63	13.57	13.22	13.01	
Central Provinces	:	:	:	:	:	:	:	:	:
(Superfine).....	11.71	12.15	12.71	13.18	13.03	13.96	13.40	13.19	
Sind (Fine) -	10.75	11.36	11.91	12.34	12.19	-	-	-	
Peruvian (Good) -	:	:	:	:	:	:	:	:	:
Tanguis.....	14.60	15.03	15.77	16.17	16.06	-	-	-	
	:	:	:	:	:	:	:	:	:

Converted at current exchange rates.

UNITED STATES: Exports of cotton to principal foreign markets, annual
1937-38 and 1938-39, and August 1-January 18, 1938-39 and 1939-40 a/
(Running bales)

Country to which exported	Year ended July 31		August 1-January 18	
	1937-38	1938-39	1938-39	1939-40
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United Kingdom.....	1,630	478	301	1,189
Continental Europe.....	3,049	1,791	1,186	1,498
Total Europe.....	4,679	2,269	1,487	2,687
Japan.....	729	905	531	484
Other countries.....	542	394	198	494
Total.....	5,950	3,568	2,216	3,665
Linters.....	278	206	111	150
Total, excluding linters	5,672	3,362	2,105	3,515
	:	:	:	:
	:	:	:	:

Compiled from the *Weekly Stock and Movement Report*, New York Cotton Exchange.
a/ Includes linters.

BUTTER: Price per pound in New York, San Francisco, Copenhagen, Montreal, and London, January 18, 1940, with comparisons

Market and description	January 19, 1939	January 11, 1940	January 18, 1940
	Cents	Cents	Cents
New York, 92 score.....	26.2	32.0	32.0
San Francisco, 92 score.....	27.0	32.5	33.0
Montreal, No. 1 pasteurized a/...	22.5	24.5	24.3
Copenhagen, official quotation...	23.7	b/ 23.4	b/ 23.4
London, all sources c/.....	29.1	27.3	27.3

Foreign prices converted at current exchange rates.

a/ Quotation of following day converted at prevailing rate of exchange.

b/ Danish butter price to England f.o.b. Danish port made retroactive from November 1 and no further increase expected until March 1.

c/ Maximum wholesale price on all butter, importer to wholesaler, fixed by Government; fixed price in shillings converted to United States currency equivalent at official rate of \$4.025. 1939 comparisons with best Danish.

CANADA: Area and production of grain crops in Canada and the Prairie Provinces, 1938 and 1939 a/

Crop and year	Canada		Prairie Provinces b/	
	Area	Production	Area	Production
	1,000 acres	1,000 bushels	1,000 acres	1,000 bushels
Wheat -				
1938.....	25,931	360,010	24,946	336,000
1939.....	26,757	489,623	25,813	463,000
Rye -				
1938.....	741	10,988	655	9,340
1939.....	1,102	15,307	1,014	13,700
Cats -				
1938.....	13,010	394,593	8,518	246,500
1939.....	12,790	408,832	8,227	245,970
Barley -				
1938.....	4,453	102,242	3,637	80,200
1939.....	4,347	103,147	3,607	81,000
Flaxseed -				
1938.....	210	1,259	202	1,185
1939.....	307	2,169	298	2,075

Dominion Bureau of Statistics, Ottawa.

a/ Final estimate for 1938; third estimate for 1939. For 1939 second estimate, see Foreign Crops and Markets, November 18, 1939, p. 512.

b/ Alberta, Saskatchewan, and Manitoba.

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